

City of Los Angeles Commercial/Multifamily Franchise System



City of Los Angeles
LA Sanitation

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Contracts Awarded

Recommended Small Zone Award

Initial Ranking	Proposer	Recommended Small Zone Award	Number of Accounts
1	NASA	Downtown	1,771*
2	Ware	Southeast	1,817*
3	CalMet	East Downtown	1,013*

Recommended Large Zone Award

Initial Ranking	Proposer	Recommended Large Zone Award	Number of Accounts
1	Athens	West LA, North Central, and Harbor	21,864*
2	Republic	Northeast Valley and South LA	16,820*
3	WM	West Valley and Southeast Valley	15,526*
4	UWS	Northeast	6,106*

- Estimates are 20-25% Low

Increased Recycling to Meet Zero Waste Goals

- Franchisees are required to reduce disposal in landfills by 1 million tons annually by 2025
- Blue Bin for All - All customers will receive a blue bin for recycling as part of their basic service
- Green Bin organics recycling will be offered to all customers, at cost that equals Black Bin service

Mandatory Commercial Organics Compliance

- Service Providers must perform a waste assessment at every customer site.
- Current Organics programs must be preserved.
- FSPs will assess AB 1826 buckets.
- Reuse and Food Rescue is required through contract with financial support.
- Cannot meet required disposal reductions without Organics programs.



Increased Recycling to Meet Zero Waste Goals

- Mandatory outreach, education and training through the term of the contract
- Monthly disposal and diversion reporting
- Numeric landfill reduction targets through the contract term
- Failure to meet disposal reduction targets will result in heavy penalties

Accountability

- All customer service and performance standard supported by penalties (liquidated damages) for not meeting requirements for:
 - Implementation of Franchise System
 - Provision of Services to customers
 - Segregation and Delivery of Collection Materials
 - Reporting
 - Diversion Requirements – Landfill Reduction, Recycling and Organics Programs
 - Payment and Reporting Requirements

New or Improved Infrastructure to Meet City and State Requirements

- The Service Providers for the Franchise have proposed to utilize 39 facilities
- Of these, 13 facilities will need to be constructed or improved to meet the City certification requirements
- This program will bring over **\$200 million** in new infrastructure to the region to meet the needs of the Franchise System and recycle organics

Cleaner Air

- The Zero Waste LA requires new, clean-fueled vehicles for all solid waste collection
- A total of 384 trucks are expected to be used for this program
- Reduced traffic; efficient routing

Services at Equitable and Transparent Customer Rates

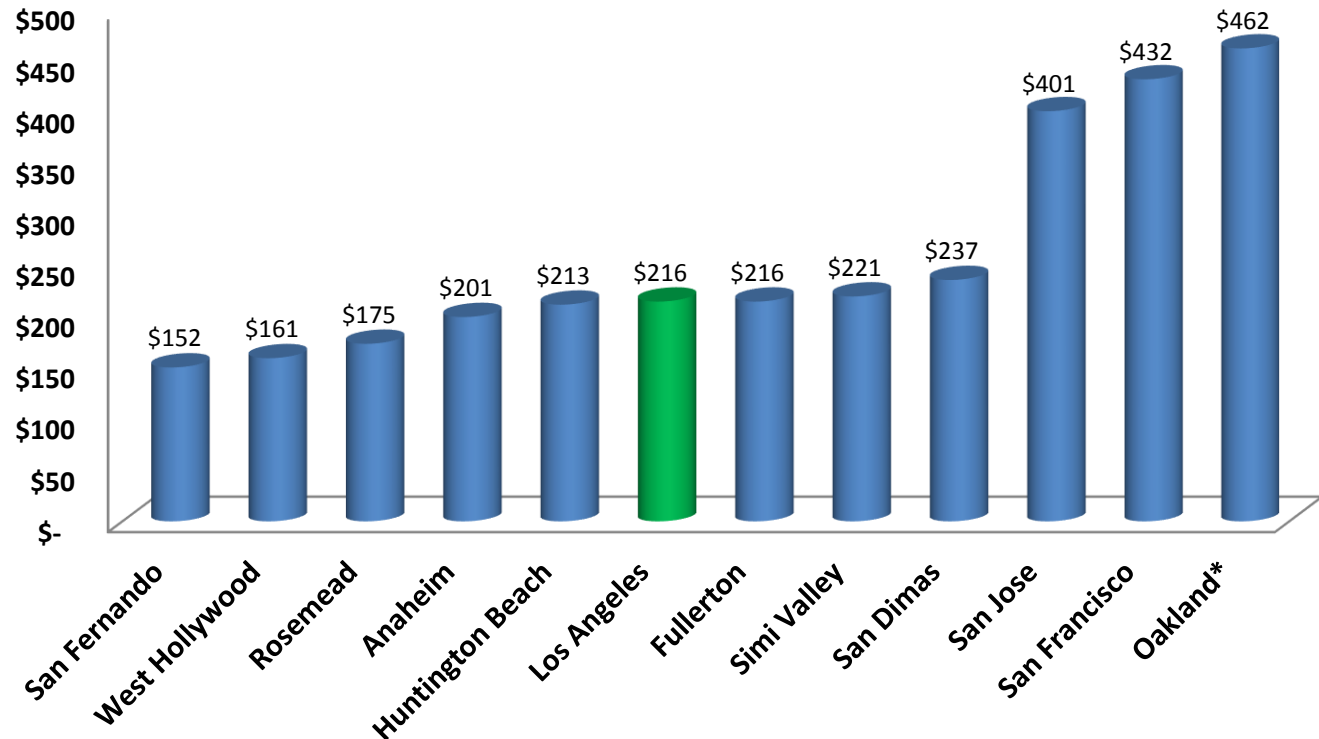
- Maximum rates established through exhaustive analysis of proposer provided cost proforma data and known industry standards
- Rates change predictably. Rate increases methods are set in the franchise contracts

What is included in Franchise Rates

- Base Rates are inclusive of many services including :
 - Blue Bin Collection
 - Material reuse and food rescue
 - Bin cleaning
 - Graffiti removal
 - Community Benefits
- Customer Costs for additional requested services is set in contract.

Services at Equitable and Transparent Customer Rates

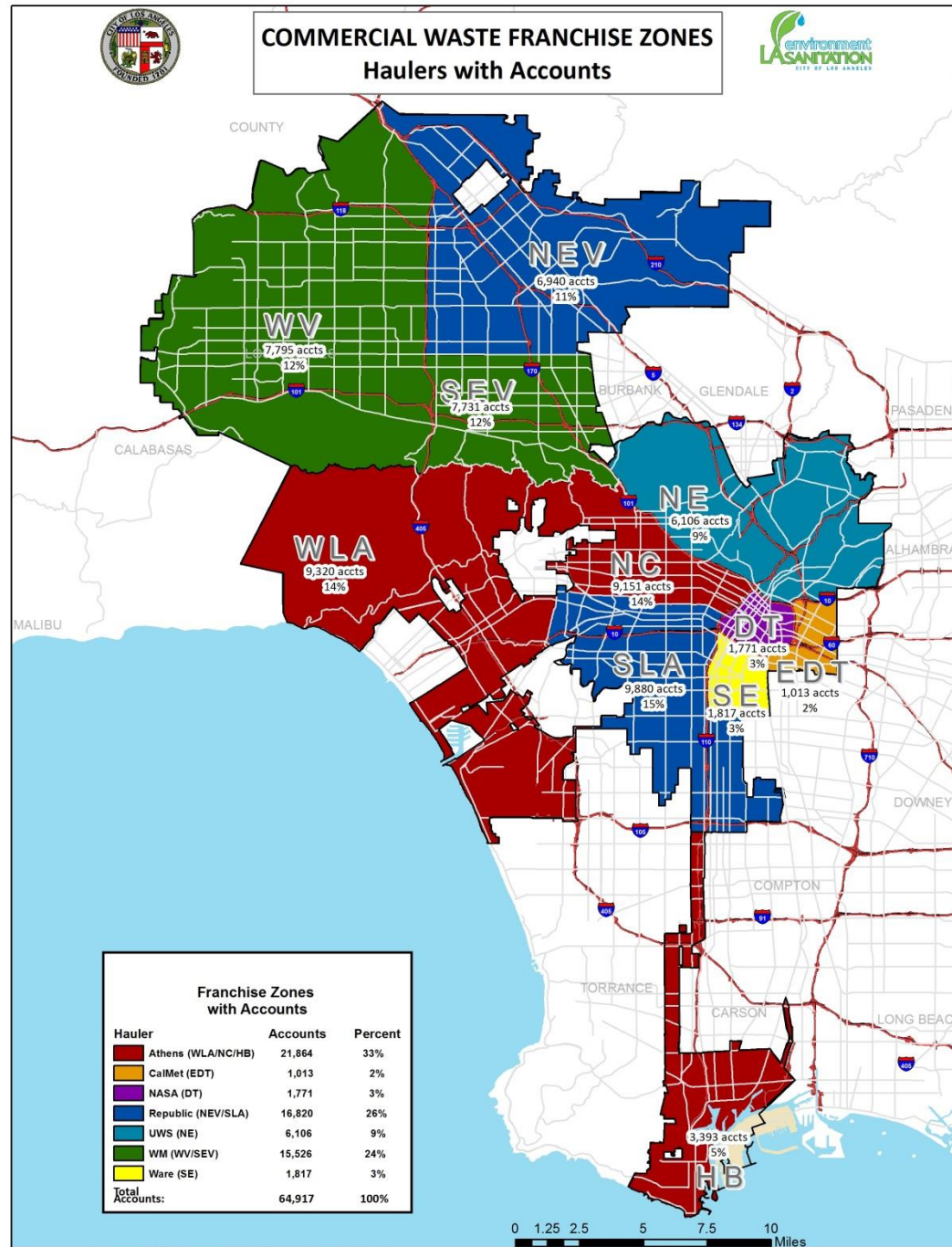
Sample Rates of Commercial Exclusive Franchises in California



* Rate for Oakland does not include collection of commingled recyclables



COMMERCIAL WASTE FRANCHISE ZONES Haulers with Accounts



Franchise Zones with Accounts		
Hauler	Accounts	Percent
Athens (WLA/NC/HB)	21,864	33%
CalMet (EDT)	1,013	2%
NASA (DT)	1,771	3%
Republic (NEV/SLA)	16,820	26%
UWS (NE)	6,106	9%
WM (WV/SEV)	15,526	24%
Ware (SE)	1,817	3%
Total Accounts:	64,917	100%